

HOUSE No. 1505

By Mr. Pedone of Worcester, petition of Vincent A. Pedone relative to the notification of defective insurance claims and claims payment policies. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT PROVIDING FOR THE NOTIFICATION OF DEFECTIVE CLAIMS AND CLAIMS PAYMENT POLICIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section one hundred and eight, subsection 4(C) of
2 chapter one hundred and seventy-five of the General Laws, as
3 most recently amended by Chapter 141 of the Acts of 2000, is
4 hereby amended in the second sentence by striking out the words
5 “forty five days” and inserting in place thereof the following: “fif-
6 teen days, or forty-eight hours if transmitted electronically”.

1 SECTION 2. Said section one hundred and eight, subsec-
2 tion 4(C) of chapter one hundred and seventy-five is hereby fur-
3 ther amended by adding at the end thereof the following: “Each
4 insurer shall provide written guidelines to providers of medical
5 services that participate in one of its products established pursuant
6 to this chapter setting forth a statement of its policies and proce-
7 dures that is complete, detailed and specific with regard to what
8 such providers must include in claims for reimbursement in order
9 to qualify as a completed claim for reimbursement payment for
10 which any such provider is entitled. Such guidelines shall identify
11 all of the data and documentation that is to accompany each claim
12 for reimbursement and shall identify all utilization review and
13 other screening policies and procedures employed by the insurer
14 in reviewing such claims submitted by a provider of medical serv-
15 ices.”

1 SECTION 3. Section one hundred and ten (G) of chapter one
2 hundred and seventy-five of the General Laws, as most recently
3 amended by Chapter 141 of the Acts of 2000, is hereby amended
4 in the second sentence of the second paragraph by striking the
5 words “forty five days” and inserting in place thereof the
6 following: “fifteen days, or forty-eight hours if transmitted elec-
7 tronically,”.

1 SECTION 4. Said section one hundred and ten (G) of chapter
2 one hundred and seventy-five is hereby further amended by
3 adding at the end thereof the following: “Each insurer shall pro-
4 vide written guidelines to providers of medical services that par-
5 ticipate in one of its products established pursuant to this chapter
6 setting forth a statement of its policies and procedures that is com-
7 plete, detailed and specific with regard to what such providers
8 must include in claims for reimbursement in order to qualify as a
9 completed claim for reimbursement payment for which any such
10 provider is entitled. Such guidelines shall identify all of the data
11 and documentation that is to accompany each claim for reimburse-
12 ment and shall identify all utilization review and other screening
13 policies and procedures employed by the insurer in reviewing
14 such claims submitted by a provider of medical services.”

1 SECTION 5. Section eight of chapter one hundred and seventy-
2 six A, as most recently amended by Chapter 141 of the Acts of
3 2000, is hereby amended in the first sentence of clause (6) by
4 striking the words “forty five days” and inserting in place thereof
5 the following: “fifteen days, or forty-eight hours if transmitted
6 electronically,”.

1 SECTION 6. Said section eight of chapter one hundred and
2 seventy-six A is further amended by inserting at the end of
3 clause (6) the following: “Each insurer shall provide written
4 guidelines to providers of medical services that participate in one
5 of its products established pursuant to this chapter setting forth a
6 statement of its policies and procedures that is complete, detailed
7 and specific with regard to what such providers must include in
8 claims for reimbursement in order to qualify as a completed claim
9 for reimbursement payment for which any such provider is enti-

10 tled. Such guidelines shall identify all of the data and documenta-
11 tion that is to accompany each claim for reimbursement and shall
12 identify all utilization review and other screening policies and
13 procedures employed by the insurer in reviewing such claims sub-
14 mitted by a provider of medical services.”

1 SECTION 7. Section 7 of chapter one hundred and seventy-six
2 B of the General Laws, as most recently amended by Chapter 141
3 of the Acts of 2000, is hereby amended in the second sentence of
4 the second paragraph by striking out the words “forty five days”
5 and inserting in place thereof the following: “fifteen days, or
6 forty-eight hours if transmitted electronically,”.

1 SECTION 8. Said section 7 of chapter one hundred and
2 seventy-six B is further amended by adding at the end of the
3 second paragraph the following: “Each insurer shall provide
4 written guidelines to providers of medical services that participate
5 in one of its products established pursuant to this chapter setting
6 forth a statement of its policies and procedures that is complete,
7 detailed and specific with regard to what such providers must
8 include in claims for reimbursement in order to qualify as a com-
9 pleted claim for reimbursement payment for which any such
10 provider is entitled. Such guidelines shall identify all of the data
11 and documentation that is to accompany each claim for reimburse-
12 ment and shall identify all utilization review and other screening
13 policies and procedures employed by the insurer in reviewing
14 such claims submitted by a provider of medical services.”.

1 SECTION 9. Section 6 of chapter 176G, as most recently
2 amended by Chapter 141 of the Acts of 2000, is hereby amended
3 in the first sentence of the second paragraph by striking out the
4 words “45 days” and inserting in place thereof the following: “fif-
5 teen days, or forty-eight hours if transmitted electronically,”.

1 SECTION 10. Said section 6 of chapter 176G is further
2 amended by adding at the end of the second paragraph the
3 following: “Each insurer shall provide written guidelines to
4 providers of medical services that participate in one of its product
5 established pursuant to this chapter setting forth a statement of its

6 policies and procedures that is complete, detailed and specific
7 with regard to what such providers must include in claims for
8 reimbursement in order to qualify as a completed claim for reim-
9 bursement payment for which any such provider is entitled. Such
10 guidelines shall identify all of the data and documentation that is
11 to accompany each claim for reimbursement and shall identify all
12 utilization review and other screening policies and procedures
13 employed by the insurer in reviewing such claims submitted by a
14 provider of medical services.”.

1 SECTION 11. Section 2 of chapter 176I, as most recently
2 amended by chapter 141 of the Acts of 2000, is hereby amended
3 in the first sentence of the third paragraph by striking the words
4 “45 days” and inserting in place thereof the following: “fifteen
5 days, or forty-eight hours if transmitted electronically,”.

1 SECTION 12. Said section 2 of chapter 176I is hereby further
2 amended by adding at the end of the third paragraph the
3 following: “Each insurer shall provide written guidelines to
4 providers of medical services that participate in one of its prod-
5 ucts established pursuant to this chapter setting forth a statement
6 of its policies and procedures that is complete, detailed and spe-
7 cific with regard to what such providers must include in claims for
8 reimbursement in order to qualify as a completed claim for reim-
9 bursement payment for which any such provider is entitled. Such
10 guidelines shall identify all of the data and documentation that is
11 to accompany each claim for reimbursement and shall identify all
12 utilization review and other screening policies and procedures
13 employed by the insurer in reviewing such claims submitted by a
14 provider of medical services.”

1 SECTION 13. M.G.L. Chapter 118E Section 38, as appearing in
2 the 2000 Official Edition, is hereby amended by inserting at the
3 end thereof of the following new paragraphs:

4 “Within 45 days after the receipt by the Division of completed
5 forms for reimbursement to a physician who participates in a med-
6 ical service program established pursuant to this chapter, or within
7 15 days if such claim is received electronically, the Division shall
8 (i) make payments for such services provided by the physician

9 that are services covered under such medical assistance program
10 and for which claim is made, or (ii) fully notify the provider in
11 writing or by electronic means of any and all reason or reasons for
12 nonpayment, or (iii) notify the provider within 15 days for written
13 forms or 48 hours for electronic claims in writing or by electronic
14 means of all additional information or documentation that is nec-
15 essary to establish such physician's entitlement to such reimburse-
16 ment. If the Division fails to comply with the provisions of this
17 paragraph for any such completed claim, the Division shall pay, in
18 addition to any reimbursement for health care services provided to
19 which the physician is entitled, interest on any unpaid amount of
20 such benefits, which shall accrue beginning 45 days after the
21 Division's receipt of request for reimbursement, or 15 days after
22 the receipt of an electronic claim, at the rate of 1.5 per cent per
23 month, not to exceed 18 per cent per year. The provisions of this
24 paragraph relating to interest payments shall not apply to a claim
25 that the Division is investigating because of suspected fraud."

26 "The division shall provide written guidelines to providers of
27 medical services that participate in a medical assistance program
28 established pursuant to this chapter setting forth a statement of its
29 policies and procedures that is complete, detailed and specific
30 with regard to what such providers must include in claims for
31 reimbursement in order to qualify as a completed claim for reim-
32 bursement payment for which any such provider is entitled. Such
33 guidelines shall identify all of the data and documentation that is
34 to accompany each claim for reimbursement and shall identify all
35 utilization review and other screening policies and procedures
36 employed by the division in reviewing such claims submitted by a
37 provider of medical services."